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DEPARTMENT OF CONSUMER AFFAIRS (DCA)
CALIFORNIA BOARD OF ACCOUNTANCY (CBA)

MINUTES OF THE
March 23, 2017
MOBILITY STAKEHOLDER GROUP (MSG) MEETING

Westin Los Angeles Airport Hotel
 5400 W. Century Blvd.
 Los Angeles, CA 90045
 Telephone: (310) 216-5858

CALL TO ORDER

Jose Campos, CPA, Chair, called the meeting of the MSG to order at 9:32 a.m. on Thursday, March 23, 2017 at the Westin Los Angeles Airport Hotel. Mr. Campos requested that the roll be called.

MSG Members

Jose A. Campos, CPA, Chair	Present
Joe Petito, Vice Chair	Absent
Donald Driftnier, CPA	Present
Karriann Farrell Hinds, Esq.	Present
Dominic Franzella	Present
Ed Howard, Esq.	Absent
Stuart Waldman, Esq.	Present

CBA Members Observing

Alicia Berhow, President
 Laurence (Larry) Kaplan
 Jian Ou-Yang, CPA
 Deidre Robinson
 Katrina L. Salazar, CPA
 Mark Silverman, Esq., Secretary/Treasurer
 Kathleen Wright, CPA

Staff and Legal Counsel

Patti Bowers, Executive Officer
Deanne Pearce, Assistant Executive Officer
Rich Andres, Information Technology Staff
Aaron Bone, Information and Planning Officer
Veronica Daniel, Licensing Manager
Cindi Fuller, Licensing Manager
Paul Fisher, Enforcement Supervising Investigative CPA
Nooshin Movassaghi, Legislative Analyst
Michael Santiago, Legal Counsel, DCA
Kristy Schieldge, Legal Counsel, DCA
Carl Sonne, Deputy Attorney General, Department of Justice

Other Participants

Arthur Chin, California Society of Certified Public Accountants (CalCPA)
Jeffrey De Lyser, CPA, Chair, Peer Review Oversight Committee
Jason Fox, CalCPA
Jonathan Burke, Board and Bureau Relations Manager, DCA
Kevin Harper, Vice-Chair, Peer Review Oversight Committee
Pilar Oñate-Quintana, The Oñate Group
Jon Ross, KP Public Affairs

- I. Approve Minutes of the November 17, 2016 MSG Meeting.

It was moved by Mr. Driftmier and seconded by Mr. Waldman to approve the minutes of the November 17, 2016, MSG Meeting.

Yes: Mr. Campos, Mr. Driftmier, Mr. Franzella, Ms. Hinds, and Mr. Waldman.

No: None

Abstain: None

Absent: Mr. Howard and Mr. Petito.

The motion passed.

- II. The Mobility Stakeholder Group Decision Matrix and Stakeholder Objectives.

Mr. Campos indicated this item is a written report only.

- III. Discussion and Possible Action Regarding Timeline for Activities Regarding Determinations to be Made for Out-of-State Practitioners Pursuant to Business and Professions Code Section 5096.21.

Ms. Movassaghi reported that the timeline was updated to reflect the recent authority the CBA obtained to initiate an emergency rulemaking to remove states from the no notice, no fee practice privilege program.

It was moved by Mr. Driftmier and seconded by Mr. Waldman to adopt the revised timeline.

Yes: Mr. Campos, Mr. Driftmier, Mr. Franzella, Ms. Hinds, and Mr. Waldman.

No: None

Abstain: None

Absent: Mr. Howard and Mr. Petito.

The motion passed.

IV. Review and Possible Approval of the 2016 Mobility Stakeholder Group Annual Report.

Mr. Bone reported on some of the changes from the November version of the 2016 MSG Annual Report. These included:

- Updating the various statistics to reflect all activity that occurred through the end of 2016.
- On pages 2 and 3, the Background Section was enhanced to include additional information regarding Senate Bill 1405 and an overview of the CBA's responsibility to review each state's enforcement practices.
- In the Activities and Accomplishments section beginning on page 7, staff clarified the descriptions of the process to assess each state, including the collaboration between the National Association of State Boards of Accountancy (NASBA) and the CBA staff.

In addition, Mr. Bone stated he would clarify in the 2017 Anticipated Topics for Discussion to indicate that the MSG will issue a final report to the CBA and work with staff to develop a preliminary draft of the CBA's report to the Legislature this year.

It was moved by Ms. Hinds and seconded by Mr. Waldman to adopt the 2016 Mobility Stakeholder Group Annual Report.

Yes: Mr. Campos, Mr. Driftmier, Mr. Franzella, Ms. Hinds, and Mr. Waldman.

No: None

Abstain: None

Absent: Mr. Howard and Mr. Petito.

The motion passed.

- V. Review and Consideration of the Current Practice Privilege Program Provisions of the Accountancy Act and Possible Recommendations on Whether Any Legislative Changes Are Necessary.

Ms. Movassaghi reported that the purpose of this agenda item is to provide the MSG with an opportunity to review and consider the current practice privilege provisions in the Accountancy Act and determine whether to recommend possible legislative changes.

She pointed out that on February 17, 2017 Senator Cathleen Galgiani introduced Senate Bill (SB) 795 which would remove the January 1, 2019 repeal date of the CBA's practice privilege program, thereby making the program permanent.

The MSG discussed a March 21, 2017 memorandum provided by stakeholders associated with SB 795. According to the stakeholders, there were inadvertent drafting errors that will be corrected as SB 795 moves forward. Additionally, according to the stakeholders, the primary purpose of the legislation is to repeal the January 1, 2019 sunset date from the no notice, no fee, practice privilege program.

Mr. Ross, representing the sponsor of SB 795, addressed the MSG and indicated that the Legislature was not likely to take final action on the bill until the CBA completes its final report to the Legislature, which is currently due January 1, 2018.

It was moved by Mr. Driftmier and seconded by Mr. Campos to recommend to the Legislative Committee to consider the items identified in the March 21, 2017 memorandum in its oversight of this particular legislative proposal.

Yes: Mr. Campos, Mr. Driftmier, Mr. Franzella, Ms. Hinds, and Mr. Waldman.

No: None

Abstain: None

Absent: Mr. Howard and Mr. Petito.

The motion passed.

VI. Discussion Regarding the National Association of State Boards of Accountancy's Activities and CPAVerify.

Ms. Movassaghi stated that CBA Executive Officer, Patti Bowers attended NASBA's 35th Annual Conference for Executive Directors from March 14-16, 2017 in New Orleans, Louisiana. Some of the major topics on the agenda included legal cases and other developments impacting the profession, continuing professional education audit tools, and education and accreditation.

Deputy Attorney General Carl Sonne attended NASBA's 22nd Annual Conference for Board of Accountancy Legal Counsel and presented on "Tips for Investigating an Alleged Audit Violation."

Ms. Movassaghi reported that last year the MSG asked staff to compile a reference list of all state accountancy boards' enforcement contacts and update it periodically.

Currently, staff receive the NASBA Committee Handbook and State Board Listing which includes each jurisdiction's Executive Officer's contact information. Since each accountancy board is structured differently, this contact list may provide the most helpful information for CBA enforcement staff to use when investigating out-of-state disciplinary cases.

At this time there are 51 jurisdictions participating in the Accountancy Licensee Database (ALD) and CPAVerify.

Four states – Delaware, Hawaii, Utah, and Wisconsin – are not yet participating in ALD and CPAVerify. It is anticipated Wisconsin will participate in the ALD by the end of the year.

This was an informational item and no action was taken by the MSG.

VII. Discussion Regarding Proposed Agenda Items for the Next Mobility Stakeholder Group Meeting.

The MSG stated that the topics for the next meeting would include:

1. Further review of any additional states identified by NASBA as substantially equivalent.
2. Draft of MSG Final Report to the CBA.
3. Evaluate Factors relevant to Business and Professions Code section 5096.21(f)(2): whether the current no notice, no fee practice privilege program is, in the opinion of the board, more, less, or equivalent in the protection it affords the public than its predecessor program.

This was an informational item and no action was taken by the MSG.

VIII. Public Comments.

No public comments were received.

There being no further business, the meeting adjourned at 10:01 a.m.